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ASH GROVE CEMENT WEST, INC.

Inter-Office Memorandum

Date December 6, 1991

To Ken Rone From Daniel J. Peters

Copies to _____ Subject Progress Report

The weekly Baugh progress meeting was attended on Monday morning. A routine update of construction progress was given. Baugh requested the exact schedules of the limestone and clinker barge deliveries. Baugh also requested that the natural gas to the facility be turned on for Hotworks by Tuesday morning at 8:00 am. Baugh indicated that the blending silos and installation on the kiln/mill dust collector were ready for static acceptance but could wait until you returned to the facility. Finally, Baugh indicated that the preheater elevator would be inspected on December 10, 1991 but would require the installation of a telephone to pass inspection.

Jim Bergeron of Lafarge was telephoned concerning the scheduling of the clinker barge deliveries. He has failed to return two telephone calls.

Numerous problems were encountered in attempting to turn the natural gas on for Hotworks. On Tuesday morning, it was discovered that Baugh did not have the necessary permits to allow Washington Natural Gas to turn the gas on. The permits were obtained by Wednesday morning and WNG turned the gas on and found that the line was filled with a considerable amount of water. In a group meeting with all involved parties, it was decided that the line would need to be purged with high pressure and high volume air to remove all the water. It was estimated that this work would take at least two days resulting in the preheater dryout being rescheduled to begin on December 9, 1991. Assessment of cost responsibility of the delays has been deferred until the dryout has been completed. It appears that all parties have some liability in these delays.

Matrix Telecommunications is scheduled to install the needed preheater elevator telephone on December 6, 1991.

Holnam called inquiring why AGCW was not participating in the new PSAPCA fee permitting process and hearings. It was found that we are not currently on PSAPCA's mailing list. A fee schedule was requested and received from PSAPCA and

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forwarded to Hans Steuch. Hans will review this information and advise us on any necessary action needed to be taken.

Salary summaries were sent to Earl Wheeler by mail. LTI Inc. was telephoned and asked to contact Bill Kistler at Rivergate concerning pod carriers.

A meeting was held with Merlino Construction concerning the street use permit project and the site drainage project. Merlino expects to begin work on the street use permit next week following a preconstruction meeting on December 12, 1991. Work on the site drainage project is expected to begin in January and be completed by the end of March. This time frame includes the work on the 18 inch storm line.

Eric Nussle and I attended a second mediation hearing on the WISHA jurisdiction appeal. WISHA again arrived at the meeting unprepared and nothing was resolved. The mediation judge has reluctantly decided to send our appeal to a formal hearing.

Fuller has indicated that the discharge from the cooling tower will have to be routed to the Metro sanitary line. Joyce Prindle of CH2O has been contacted for quality specifics on the tower discharge. This information will be sent to Metro for permit modification.

Stan Webb oversaw the loading of a silica barge on December 5, 1991 at Steilacoom for Tilbury Cement Ltd.

Considerable time was spent by Rosemarie, Ben, and myself on developing and modifying the corporate handout package for the employees. Final recommendations for changes on the Employee Handbook, Organizational Philosophy, and the Organizational Chart were submitted.